

WTO

The World Trade Organization (WTO) was formed in 1995 as a successor to the General Agreement on Tariffs and Trade (GATT), the rules of international trade put in place at the end of World War II and modified over the years. The primary constituency of the WTO are trade ministers and, hence, commercial interests – those involved in importing and exporting products and services -- dominate its concerns. The WTO puts trade over all else. This contrasts with the A-Team which is concerned with financial interests – that is, making the world safe for lenders and investors.

Each member country has a single vote and decisions are supposedly by consensus. However, “in practice, the United States, Europe, and Japan have dominated in the past” (Stiglitz, 2002, pp. 225-26). The rules of the WTO cannot be modified or new rules introduced without unanimous consent. Deliberations of the WTO panels that rule on whether there has been a violation of the WTO agreements occur in secret.

Case-Specific Information

You should appoint a different team member to chair each of the three panels. The Chairs can recruit other WTO members and individuals from other teams whom they feel have relevant expertise on the issues under dispute as members of their panel. Ultimately, the three panels will make recommendations but the team as a whole will decide on the final action options.

Frame

UNFETTERED MARKETS (see **Globalization Frames** in the **Resource Kit**)

Access Rule

The following teams have automatic access: **U.S. State Dept., Govt. of Plantanoguary**. Other teams require your permission to meet with you.

Success Indicators

Global Corporation Support (GCS): This begins at 100 and is raised by actions that remove trade restrictions or prevent new ones from being put in place. It is lowered by actions that maintain existing trade restrictions or add new ones.

Northern Elite Support (NES): This begins at 100 and is raised by actions that increase the support of political elites in the Global North. It is lowered by actions that decrease the support of political elites in the Global North.

Southern Elite Support (SES). This begins at 100 and is raised by actions that increase the support of political elites in the Global South. It is lowered by actions that decrease the support of political elites in the Global South.

Overall Success = $(2GCS + 2NES + SES) / 5$

Recommended Reading from Resource Kit:

You should make hard copies of the following parts of the Resource Kit to read ahead of time or to bring with you to the game sessions:

- *** Glossary of Technical Terms
- *** UNFETTERED MARKETS Frame in Globalization Frames.
- *** TRIP (Trade-Related Intellectual Property) Agreements.

WTO Action Options

The WTO cannot take the initiative in imposing sanctions on a country for violating its rules. One or more member countries must bring a case against another member country to the WTO, at which point it goes to a panel, which holds private deliberations, to determine if a violation has taken place. If the panel finds in favor of the complainant, the country in violation of the WTO rules is given a month to repeal the offending policies or laws (although it may be granted an extension if it demonstrates that doing so within a month is impractical). If it fails to remove the violation, the complainant may apply to the WTO for the right to impose sanctions on the offending country. The sanctions take the form of a tariff on imported goods from the offending country but the complainant must get WTO approval for the specific tariffs they enact.

In this case, there are three complaints and three panels:

The Kahotium™ Panel recommendation: (check all that apply)

_____ I. No Action. The policies of the Government of Plantanoguay do not violate HAZMAT's intellectual property rights. No WTO rules have been violated.

_____ II. Finding in favor of the U.S. complaint. The Government of Plantanoguay is in violation of WTO TRIPS agreements and is ordered to remedy the situation by doing the following:

_____ IIa. Negotiate with HAZMAT to pay the company royalties on the production and distribution of Kahotium™ and/or its non-branded equivalent.

_____ IIb. Cease the production and distribution of non-branded equivalents of Kahotium™

_____ IIc. Other. (Specify)

In the event of non-compliance, the WTO will consider appropriate sanctions.

(WTO Action Options continued)

The Infant Formula Panel recommendation: (check all that apply)

_____ III. No Action. The policies of the Government of Plantanoguay do not violate WTO rules.

_____ IV. Finding in favor of the U.S. complaint. The Government of Plantanoguay is in violation of WTO free trade rules by unfairly limiting Natural Plus's ability to market its product. Plantanoguay is ordered to remedy the situation by doing the following:

_____ IVa. Repeal the law prohibiting the advertising claims made by Natural Plus for its Better Than Nature™ infant formula.

_____ IVb. Other. (Specify)

In the event of non-compliance, the WTO will consider appropriate sanctions.

The Labeling Panel recommendation: (check all that apply)

_____ V. No Action. The policies of the Government of Plantanoguay do not violate WTO rules.

_____ VI. Finding in favor of the U.S. complaint. The Government of Plantanoguay is in violation of WTO rules against distinguishing among physically similar products on the basis of how they were produced. Plantanoguay is ordered to remedy the situation by doing the following:

_____ VIa. Stop using the words on the label: "Produced by Worker Cooperatives."

_____ VIb. Stop using the logo.

_____ VIc. Other. (Specify)

In the event of non-compliance, the WTO will consider appropriate sanctions.

WTO Press Release

(This should be written on the assumption that the details of the scenario itself are already known and have been reported earlier. You should focus on the actions you have taken during Phase Three that you wish to publicize – and, if relevant, possible action that you might have taken and did not. You should emphasize those actions of your own and of others that you hope will raise your relevant success indicators.)

WTO Broadcast Rating Form

The WTO monitors WUSA and the EuroPress.

WUSA

Notes on coverage:

1. Were the actions of the WTO covered fully and fairly from your standpoint?
 a. Yes. Coverage was pretty much the way we would have presented it ourselves.
 b. Mixed yes and no. Coverage of some of our actions was good but there were significant omissions and/or inclusion of distracting and irrelevant material.
 c. No, coverage missed important aspects of our actions and/or distorted other aspects.
2. To what extent would ministers of trade in other developed countries around the world be reassured or alarmed by the coverage?
 a. Mostly reassured.
 b. Mixed.
 c. Mostly alarmed.
3. To what extent did coverage aid the cause of groups who want to place additional conditions or restrictions on international trade?
 a. Not at all.
 b. Mixed, with some parts of it implying the need for more trade restrictions.
 c. Quite a bit, leaving the general impression that free trade arrangements hurt many Americans.

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